



PHILIP ANGELIDES

Treasurer

State of California

May 7, 2003

To: All Local Agency Investment Fund Participants

I am aware of concerns expressed on behalf of Local Agency Investment Fund (LAIF) participants as to the relationship of this program to the State's current fiscal difficulties.

In addressing concerns regarding the safety and liquidity of your deposits in the Local Agency Investment Fund, I would like to remind you that Government Code Section 16429.3 specifically excludes your LAIF deposits from being transferred, loaned, impounded or seized by any State Agency or Official.

As your trustee for LAIF funds, I would oppose any statutory change in regard to the program and I will support the intent of the statute that protects your funds.

Sincerely,



Phil Angelides
State Treasurer